

DEFERRED COMPENSATION

CONTRIBUTION LIMIT CHANGES

January 1, 2010 through December 31, 2019



Annual Contribution Limits

The maximum dollar amount will be increasing each year and the 33-1/3% limitation has been removed to allow for up to 100% of your includible compensation (as long as that does not exceed the maximum dollar value).

Pre-Retirement Catch-Up Contributions

The pre-retirement catch-up limit maximum amount is double the normal contribution limit maximum amount. The annual deferral limits are shown below:

Tax Year	Annual Deferral Limit	Catch-Up Limit
2010	\$16,500	\$33,000
2011	\$16,500	\$33,000
2012	\$17,000	\$34,000
2013	\$17,500	\$35,000
2014	\$17,500	\$35,000
2015	\$18,000	\$36,000
2016	\$18,000	\$36,000
2017	\$18,000	\$36,000
2018	\$18,500	\$37,000
2019	\$19,000	\$38,000

If you are interested in taking advantage of the pre-retirement catch-up provision, you should meet with your deferred comp. representative to determine how much you may contribute each year. The amount that you may make-up is determined by looking back at your prior years of service and comparing how much you could have contributed on an annual basis to the deferred compensation plan versus how much you actually contributed.

Catch-Up Contributions for Participants Over Age 50

The new law has provided for a separate catch-up limit for anyone who has reached age 50 by the close of the tax year. This elective deferral amount, however, only applies after you have reached the normal contribution limit for that year. The new Age 50 deferral limits are shown below:

Tax Year	Normal Elective Contribution Limit	Extra Amount Age 50 +	Total Elective Amount
2010	\$16,500	\$5,500	\$22,000
2011	\$16,500	\$5,500	\$22,000
2012	\$17,000	\$5,500	\$22,500
2013	\$17,500	\$5,500	\$23,000
2014	\$17,500	\$5,500	\$23,000
2015	\$18,000	\$6,000	\$24,000
2016	\$18,000	\$6,000	\$24,000
2017	\$18,000	\$6,000	\$24,000
2018	\$18,500	\$6,000	\$24,500
2019	\$19,000	\$6,000	\$25,000

IMPORTANT FACT: *You may not use the age 50 catch-up provision in any year that you elect to use the regular catch-up provision. Contact your deferred compensation vendor representative for more details.*

Rollover of Distribution

An eligible distribution from a 457 deferred compensation plan may be rolled over into a:

- 401(k) plan
- 403(b) plan
- 408(a) or (b) IRA
- 457(b) plan if maintained by a state or local governmental employer.

Over

Retirement Savings Tax Credit

You qualify for the Retirement Savings Tax Credit if:

- You meet the income criteria, **and**
- You contribute money to a qualified retirement plan

The law provides an eligible individual a non-refundable tax credit if the individual makes qualified retirement savings contributions. The credit offsets regular federal income tax or (when applicable) alternative minimum tax. The credit cannot exceed the amount of federal income tax otherwise owing; thus, the credit is non-refundable. The tax credit is in addition to any exclusion or deduction that applies for the contribution.

The maximum amount of contributions eligible for the credit is \$2,000 for a tax year. The credit is a percentage of the eligible individual's qualified contributions. The credit percentage is based on the taxpayer's modified adjusted gross income.

	Modified Adjusted Gross Income					
Tax Credit Amount	Joint Return		Head of Household		Single and Other	
	Over	Not Over	Over	Not Over	Over	Not Over
50 Percent		\$37,000		\$27,750		\$18,500
20 Percent	\$37,001	\$40,000	\$27,751	\$30,000	\$18,501	\$20,000
10 Percent	\$40,001	\$62,000	\$30,001	\$46,500	\$20,001	\$31,000
0	\$62,000		\$46,500		\$31,000	

Many restrictions limit an individual's eligibility for this tax credit or the amount of the credit. For more detailed information as to whether or not this credit would be beneficial to you, you may wish to consult with a professional tax advisor.

Just remember - It's never too late to start saving for retirement!



WAKE UP!
IT'S TIME TO START
SAVING FOR YOUR
RETIREMENT!